



JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

CYNTHIA A. HARDING, M.P.H.
Chief Deputy Director

Substance Abuse Prevention and Control

John Viernes, Jr.
Director
1000 South Fremont Avenue
Building A-9 East, Third Floor
Alhambra, CA 91803
TEL (626) 299-4193 • FAX (626) 458-7637

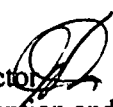
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October 2, 2013

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TO: Each Health Deputy

FROM: John Viernes, Jr., Director 
Substance Abuse Prevention and Control

SUBJECT: **NOTICE TO TERMINATE CONTRACT WITH SOUTH CENTRAL LOS ANGELES REGIONAL CENTER FOR DEVELOPMENTALLY DISABLED PERSONS, INC., A PERINATAL PROVIDER**

This is to inform you that on July 8, 2013, South Central Los Angeles Regional Center for Developmentally Disabled Persons, Inc. (SCLARC) provided the Department of Public Health's Substance Abuse Prevention and Control (SAPC) with a 30-day notice to terminate its contract. The agency is located at 650 West Adams Boulevard, Suite 200, Los Angeles, California 90007, in the Second Supervisorial District and was contracted to provide perinatal case management services.

In October 2012, SAPC began paying SCLARC for each service rendered to clients at standardized fee-for-service rates using the Healthcare Common Procedure Coding System for treatment services provided to adults, instead of by staff hours. By doing so, SAPC has been able to identify the number of clients that received services. This was not possible under a staff hour contract because agencies billed for hours worked by staff instead of actual treatment services provided to clients.

The agency had difficulty utilizing the funds because of the limited services that can be reimbursed under a case management contract and the limited number of perinatal clients that were referred to the program. The agency determined it was not economically feasible to continue the contract as the standardized service rate was not sufficient enough to cover the salaries/benefits of the employees or to cover the operating expenses of the program.

On July 12, 2013, SAPC notified SCLARC that its contract will be terminated, at the agency's request, effective last August 8, 2013. Attached is SAPC's letter to the agency.

If you have any questions or need additional information, please let me know.

JV:amh

Attachment

c: Jonathan E. Fielding
Cynthia A. Harding
Joshua Bobrowski
Jason Carnevale



COUNTY OF LOS ANGELES
Public Health



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October 2, 2013

Dexter A. Henderson, Executive Director
South Central Los Angeles Regional Center
650 West Adams Boulevard, Suite 200
Los Angeles, California 90007

Dear Mr. Henderson:

This letter is to acknowledge receipt of your July 8, 2013, letter informing Substance Abuse Prevention and Control (SAPC) that your agency has decided to terminate its Perinatal Case Management Services Contract PH-002305. Your contract agreement requires thirty (30) calendar day advance written notice, therefore, your contract has been terminated effective August 8, 2013.

Contract providers have several obligations after their contract is terminated. A summary of these obligations has been enclosed.

SAPC would like to thank you for providing services to Los Angeles County residents. If you have any questions or need additional information, please contact your Contract Program Auditor.

Sincerely,

John Viernes, Jr., Director
Substance Abuse Prevention and Control

JV:sdm

Enclosure

c: Dorothy de Leon
Tony Hill
Andrea Hurtado

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ATTACHMENT

**AGENCY RESPONSIBILITIES DURING AND FOLLOWING CONTRACT
TERMINATION**

Page 45 of the SUBSTANCE USE DISORDER SERVICES CONTRACT, ADDITIONAL PROVISIONS, reads in part:

After receipt of a Notice of Termination and except as otherwise directed by County, Contractor shall:

A. Stop services under this Contract on the date and to the extent specified in such Notice of Termination; and

B. Complete performance of such part of the services as shall not have been terminated by such Notice of Termination.

Further, after receipt of a Notice of Termination, Contractor shall submit to County, in the form and with the certifications as may be prescribed by County, its termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than sixty (60) calendar days from the effective date of termination. Upon failure of Contractor to submit its termination claim and invoice within the time allowed, County may determine on the basis of information available to County, the amount, if any, due to Contractor in respect to the termination, and such determination shall be final. After such determination is made, County shall pay Contractor the amount so determined.

Contractor for a period of five (5) years after final settlement under this Contract, in accordance with the RECORDS AND AUDITS Paragraph of this contract, shall retain and make available all its books, documents, records, or other evidence, bearing on the costs and expenses of Contractor under this Contract in respect to the termination of services hereunder. All such books, records, documents, or other evidence shall be retained by Contractor at a location in Los Angeles County and shall be made available within ten (10) calendar days of prior written notice during County's normal business hours to representatives of County for purposes of inspection or audit.

Our Financial Division will further advise you under separate cover of the cost report requirement.

ATTACHMENT

AGENCY RESPONSIBILITIES DURING AND FOLLOWING CONTRACT TERMINATION

In addition, the agency, as stated in the Contract, is responsible for the following:

- A. Contractor shall maintain adequate service records (e.g., recovery, treatment) on each participant which shall include, but shall not be limited to, a recovery/treatment plan, a completed health status questionnaire, diagnostic studies, a record of participant interviews, progress notes, and a record of participant interviews, progress notes, and a record of services provided by the various professional and paraprofessional personnel in sufficient detail to permit an evaluation of services. Such records shall be retained for a minimum of five (5) years following the expiration or termination of this Contract, or until federal, State, and/or County audit finds applicable to such services are resolved, whichever is later, and shall be retained by Contractor at a location in Los Angeles County, or with prior written authorization by SAPC in any other Southern California location, and shall be made available at reasonable times to authorized representative of federal, State and County governments during the term of this Contract and during the period of record retention for the purpose of program review and/or fiscal audit. Contractor shall comply with any additional record requirements which may be included in the Exhibit(s) attached hereto. (Page 31 of the Contract Agreement)
- B. Preservation of Records: If following termination of this Contract Contractor's facility is closed or if ownership of Contractor changes, within forty-eight (48) hours thereafter, the Director is to be notified thereof by Contractor in writing and arrangements are to be made by Contractor for preservation of the client/patient and financial records referred to hereinabove. (Page 33 of the Contract Agreement)